

REPORT OF THE COMMITTEE ON BUDGET

Voting Members:

Joey Manahan, Chair; Brandon Elefante, Vice-Chair;
Ron Menor, Kymberly Marcos Pine, Tommy Waters

Committee Meeting Held
July 15, 2020

Honorable Ikaika Anderson
Chair, City Council
City and County of Honolulu

Mr. Chair:

Your Committee on Budget, to which was referred Resolution 20-77 entitled:

"RESOLUTION URGING THE CITY ADMINISTRATION TO DELAY
EXPENDITURE OF ANY ADDITIONAL FUNDS FOR THE REDEVELOPMENT
OF THE NEAL S. BLAISDELL CENTER UNTIL THE CITY COUNCIL HAS
APPROVED THE MASTER PLAN FOR THAT PROJECT,"

reports as follows:

The purpose of the resolution is to urge the City Administration to delay the expenditure of any additional funds for the redevelopment of the Neal S. Blaisdell Center until the Council has approved the City's Draft Master Plan for that project.

No remote or in-person testimony was received on the resolution. Written testimony in support of the resolution was received from four individuals.

Your Committee considered and approved a CD1 version to the resolution that makes the following amendments:

- A. Adds a new BE IT FURTHER RESOLVED clause that allows funds to be expended for deferred maintenance improvements for the Neal S. Blaisdell Center ("Blaisdell") provided that the City Administration provides a report to the Council no later than 120 days after the adoption of this resolution regarding any deferred maintenance improvements for the Blaisdell anticipated for fiscal years 2021 and 2022.

CITY COUNCIL
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

ADOPTED ON **AUG 19 2020**

COMMITTEE REPORT NO. **174**

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B. Makes miscellaneous technical and nonsubstantive amendments.

Your Committee on Budget is in accord with the intent and purpose of Resolution 20-77, as amended herein, and recommends its adoption in the form attached hereto, as Resolution 20-77, CD1. (Ayes: Elefante, Manahan, Menor, Waters – 4; Noes: None; Excused: Pine – 1.)

Respectfully submitted,



Committee Chair

CITY COUNCIL
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

ADOPTED ON AUG 19 2020

COMMITTEE REPORT NO. 174



CITY COUNCIL

CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

No. 20-77, CD1

RESOLUTION

URGING THE CITY ADMINISTRATION TO DELAY EXPENDITURE OF ANY ADDITIONAL FUNDS FOR THE REDEVELOPMENT OF THE NEAL S. BLAISDELL CENTER UNTIL THE CITY COUNCIL HAS APPROVED THE MASTER PLAN FOR THAT PROJECT.

WHEREAS, since 1964, the City and County of Honolulu ("City") has owned and operated the 22.4-acre Neal S. Blaisdell Center ("Blaisdell"), Hawaii's largest community center, which is located in urban Honolulu and hosts approximately 800,000 visitors a year; and

WHEREAS, the Blaisdell's main facilities include the Concert Hall, with a maximum seating capacity of 2,147, used for the Hawaii Symphony, the Hawaii Opera Theatre, Ballet Hawaii, Broadway shows, and high school graduations; the Arena, with a maximum seating capacity of 6,500, used for concerts, sporting events, large meetings, conventions, consumer shows, and high school graduations; the 65,000 square-foot Exhibition Hall, used for community trade shows, consumer shows, large parties, and fundraising events; and a parking structure with 1,400 stalls; and

WHEREAS, the planning process for the future vision and development of the Blaisdell commenced in 2015, garnering extensive community input and engagement to assess the community's goals for a redeveloped Blaisdell, including an economic feasibility study and preliminary land use plan conducted as part of a master plan initiated by the City Administration in September 2016; and

WHEREAS, based on an analysis of existing conditions, community input, and market research, the feasibility study determined that the most cost-effective way to help sustain, expand, and modernize the iconic Blaisdell as a renewed civic center serving as a cultural and entertainment complex for locals and visitors to enjoy beyond the next 50 years, is to reinvest in and retain and redevelop existing facilities, as reflected in the City's Draft *Blaisdell Center Master Plan* ("City's Draft Master Plan"), published in March 2018, followed by a *Master Plan Draft Environmental Assessment* released by the City's Department of Design and Construction in October 2018; and

WHEREAS, based on findings that the Exhibition Hall has the lowest replacement cost and the greatest need for renovations, the City's Draft Master Plan proposes the demolition and replacement of the existing Exhibition Hall with a reconstructed and upgraded 95,000-square-foot Exhibition Hall to accommodate market demand for exhibitor areas to support the Arena's capacity to host conventions desired by the City, and the demolition of the existing parking garage and construction of two



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new parking structures allowing for an additional 500 parking stalls with adequately accessible loading and maintenance/storage areas; and

WHEREAS, the City's Draft Master Plan calls for newly constructed facilities, such as a multipurpose venue in the current Concert Hall with additional restrooms and lobby space, a 1,500 seat Performance Hall in the reconstructed Exhibition Hall to be used for live performances or as a lecture hall or demonstration area for exhibitions; a 2,500 seat Sports Pavilion attached to the existing Arena to be used for sports practices, games, and local sporting events, as well as graduations; a 35,000 square-foot three-level Arts Ensemble building to be used as practice studios, classrooms, and offices for local performing arts groups, such as hula halau, youth symphony, the Royal Hawaiian Band, Ballet Hawaii, the Hawaii Symphony Orchestra, and the Hawaii Opera Theatre; a Satellite City Hall; a box office; and additional outdoor venues and gathering areas; and

WHEREAS, due to input from the community, stakeholders, City staff, and market research indicating a desire to preserve the historic character of both the Arena and Concert Hall, the City's Draft Master Plan would retain both facilities, while reconfiguring and increasing the Arena seating capacity to 8,200, and implement major renovations, safety features, and accessibility upgrades required under the Americans with Disabilities Act of 1990, along with reconfigured landscaping to accommodate vehicular and pedestrian traffic; and

WHEREAS, the City Administration never submitted the City's Draft Master Plan to the City Council (the "Council"), and the Council thus has not had the opportunity to consider, review, and approve it; and

WHEREAS, from FY 2014 to FY 2020, the Council appropriated \$30,500,000 for the Blaisdell Redevelopment project, of which \$17,814,000 have already been expended or encumbered by the City Administration; and

WHEREAS, on October 19, 2019, the Council adopted Resolution 19-181, requesting the City Administration to reevaluate the viability and feasibility of its plans for the Neal S. Blaisdell Center in light of the adoption of Act 268 (Session Laws of Hawaii 2019) establishing a Stadium Development District; and

WHEREAS, on February 3, 2020, Mayor Kirk Caldwell announced that he was canceling the Blaisdell Redevelopment project due to uncertainties surrounding the cost of the City's high speed rail transit project; and



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WHEREAS, the Mayor, in his announcement of the cancelation of the Blaisdell Redevelopment project, stated as follows:

The City has determined that it is not prepared to go forward with the major renovation of the Neal Blaisdell Center at this time. Given that the final construction cost is yet unknown for the last 4.16 miles of our rail system and the City's financial responsibilities for the operations of the upcoming rail service, in addition to a new administration and City Council starting in less than one year, we decided that it is a logical time to pause the project . . . For the short term, we plan to now focus on addressing some much needed deferred maintenance and to keep the Blaisdell as fully operational as possible during the maintenance projects; and

WHEREAS, although the Mayor announced the cancelation of the Blaisdell Redevelopment project, the City Administration, in its proposed Executive Capital Budget and Program for Fiscal Year 2021, which was introduced as Bill 21 (2020) on March 2, 2020, has requested an additional appropriation of \$43,600,000 for the Blaisdell Redevelopment project; and

WHEREAS, the Council believes that the continuing unknown construction costs of the rail project, other pressing City infrastructure needs, and the current uncertain state of the national and world economies, make it prudent to postpone further expenditures on the Blaisdell Redevelopment project; and

WHEREAS, in light of the foregoing, the Council believes that the City Administration cannot justify the expenditure of any additional monies for the redevelopment of the Blaisdell Center until the City Administration has sought the Council's input on the Blaisdell Redevelopment project by submitting the City's Draft Master Plan to the Council for its consideration, review, and approval; now, therefore,

BE IT RESOLVED by the Council of the City and County of Honolulu that it urges the City Administration to delay the expenditure of any additional funds for the redevelopment of the Neal S. Blaisdell Center until the Council has approved the City's Draft Master Plan for that project; and

BE IT FURTHER RESOLVED that funds may be expended for deferred maintenance improvements for the Neal S. Blaisdell Center provided that the City Administration provides a report to the Council no later than 120 days after the adoption of this resolution regarding any deferred maintenance improvements for the Neal S. Blaisdell Center anticipated for fiscal years 2021 and 2022; and



RESOLUTION

BE IT FINALLY RESOLVED that copies of this resolution be transmitted to the Mayor, the Managing Director, the Director of Budget and Fiscal Services, the Director of Enterprise Services, and the Director of Design and Construction.

INTRODUCED BY:

Ann Kobayashi

Ikaika Anderson

DATE OF INTRODUCTION:

March 13, 2020
Honolulu, Hawaii

Councilmembers